

Newspaper: Newport Daily News

Date: July 6, 2007

Tobacco fund is not meant to fix budget

Two things really bother us about last week's release of millions of dollars from the state's tobacco settlement to balance the budget.

The first was Attorney General Patrick C. Lynch's attempt at grandstanding, which came off more like waffling. After intimating that he might not sign off on the bond documents by the deadline — citing the state's potential liability if it did not meet the settlement criteria, expressing concerns about the funding proposal and hinting at some backbone — Lynch, ever the Democratic lapdog, did just that.

The second thing that really bothers us is the fact the state continues to rely on one-time sources of revenue to plug its budget gaps, which only seem to grow wider each year. Such tactics leave the underlying causes of the deficit unsolved.

"To the extent that we use the tobacco settlement to balance the budget ... we continue a practice that has gotten us into trouble," said Gary S. Sasse, director of the Rhode Island Public Expenditure Council. "We've been too dependent on non-recurring revenues."

In addition, by cashing in on future tobacco settlement payments now, the state is in effect robbing Peter to pay Paul. What is going to happen when the money — which was supposed to be spread out over 25 years — runs out? What will the state do if the tobacco companies decide to pursue legal action to recoup their money because the terms of the settlement haven't been met?

Already, in 2002, the state sold the state's rights to more than \$1 billion in future payments for a one-time payment of \$600 million, which was used to balance the budget. Several states that have done this have had their credit

ratings, and ability to borrow money, negatively affected.

Meanwhile, the intent of the settlement — aimed at supporting smoking cessation, tobacco prevention and other health programs — has been lost.

"... The vast majority of states are still failing to keep the promise of the tobacco settlement and falling far short of funding such programs at even minimum levels recommended by the U.S. Centers for Disease Control and Prevention," according to a 2007 report by the American Heart Association, American Cancer Society, American Lung Association and Campaign for Tobacco-Free Kids.

Rhode Island ranks 35th in the country in terms of funding tobacco prevention programs, according to the annual report. It is among the states that commit less than 25 percent of the minimum funding recommended by the Centers for Disease Control — 9.6 percent, actually, or less than \$1 million a year. That number has decreased every year since 2002, when the state appropriated a high of \$3.1 million.

Today, Rhode Island's spending on tobacco prevention programs amounts to less than 1 percent of the \$121.6 million in tobacco-generated revenue the state collects, according to the report.

That none of this is good for the health of the state, or its residents, is clear. But apparently that doesn't matter to the officials we elect to protect our welfare, as long as they can balance the budget and take their summer vacation.